

COPY

Posted: ledDept: S.A. OAKSSTATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

ASHLEY OAKS AND ASHLEY WOODS

SUBDIVISIONS WATER SYSTEM

CONTRACT OF SALE

Date: 4/26/07Time: 3:30

THIS AGREEMENT is made this 17 day of JANUARY 2007, by and between Ashley Oaks Water System, Inc., a/k/a Ashley Oaks Water Systems, Inc., Ashley Oaks Development Corporation, Inc., Michael D. Shelley d/b/a Ashley Oaks Development Corporation and Northeast Realty and Builders, Inc. collectively and singularly "Ashley Oaks" and the City of Columbia, South Carolina (City).

WHEREAS, Ashley Oaks owns, operates, maintains and provides water service along certain water distribution lines located along Fulmer Road, Ashley Woods Court, Ashley Ridge Road, Oak Springs Road, Ashley Oaks Road, Maple Ridge Road, Wood Oak Road, Whiteoak Ridge Road, Whiteoak Ridge Court and Locklier Road in Ashley Woods Subdivision and Ashley Oaks Subdivision Phases 1, 2, and 3 in Richland County, South Carolina (Subdivision), which are depicted on the attached Exhibit A (Water System); and,

WHEREAS, Ashley Oaks has entered into a Consent Order with the South Carolina Department of Health and Environmental Control requiring it to convey the Water System serving the Subdivision to a public water provider; and,

WHEREAS, the City is willing to accept ownership, operation and maintenance responsibilities for the Water System and to provide water directly to the customers of Ashley Oaks in the Subdivision.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and promises herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The City agrees to accept and Ashley Oaks agrees to assign, transfer and convey unto the City, at no charge to the City, its successors and assigns, all of Ashley Oaks' right, title and interest in and to the Water System and associated appurtenances, together with all rights, franchises, permits, approvals, consents, and licenses relating to the Water System, less and except all existing wells, well sites, storage tank(s) and water lines extending from the wells and storage tank(s) to the Water System, which shall remain the property of Ashley Oaks.

2. Ashley Oaks agrees to convey, transfer and assign all of its right, title and interest in and to the Water System in its present condition, except as set forth in Paragraph 6 herein, by executing and delivering to the City general warranty deeds, prepared by the City in the name of the City, free and clear of all liens, indebtedness, encumbrances, and Public Service Commission certificates and jurisdiction, with all documentary stamps affixed thereto, and to execute and deliver to the City any other documents as may be requested by the City to complete this transaction, including, but not limited to additional exclusive easements required for operation and maintenance of the Water System as follows:

a. easements over all water lines in Ashley Woods Subdivision, including, but not limited to a fifteen (15') foot easement along Richland County TMS #12415-02-01 and easements of varying widths along Richland County TMS #12416-01-01 through 07, TMS #12415-01-01 through 04, TMS #12415-02-01 and TMS #12500-03-05; and,

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b. a five (5') foot easement over the water line in Ashley Oaks Subdivision, Phase 1 along Lot 28, further identified as TMS #12509-01-05; and,

c. a five (5') foot easement over the water line serving Ashley Oaks Subdivision, Phase 1, along Lots 33 and 34, Phase 2, further identified as TMS #12500-03-38; and,

d. a five (5') foot easement over the water line serving Ashley Oaks Subdivision, Phase 1, along Lot 39, Phase 2, further identified as TMS #12500-03-32.

e. a ten (10') foot easement parallel and adjoining the right-of-way of Fulmer Road along Lot 65, Ashley Oaks Subdivision, Phase 2, further identified as TMS #12500-03-05.

f. a ten (10') foot easement parallel and adjoining the right-of-way of Fulmer Road along Lots 1, 2, and 3, Ashley Oaks Subdivision, Phases 4A and 4B, further identified as TMS #12416-02-22, 23 and 24.

3. Conveyance of the Water System shall be subject to all applicable governmental statutes, ordinances, rules and regulations, and approvals. Ashley Oaks shall obtain, in writing, all necessary approvals required for the conveyance, transfer and assignment of the Water System to the City. These approvals shall include, but are not limited to, written approval from the South Carolina Public Service Commission and the South Carolina Department of Health and Environmental Control, both of which are listed by way of illustration and not limitation.

4. The City and Ashley Oaks agree to establish a mutually acceptable date on which the City shall accept such documents as specified herein transferring title of the Water System to the City (Closing Date). The City and Ashley Oaks agree that the Closing Date shall be within thirty (30) days after Ashley Oaks has complied with the contingencies set forth herein relating to the transfer of the Water System to the City and the City has obtained any necessary approvals to operate and maintain the Water System.

5. Ashley Oaks shall cease imposing water service charges the day prior to the Closing Date of this transaction. All accounts receivable due to Ashley Oaks up until the Closing Date shall remain the property of Ashley Oaks. The City shall not be responsible for collection on accounts receivable due Ashley Oaks prior to the Closing Date. The City shall begin billing for water service as of the Closing Date at the City's standard rates established by ordinances approved by Columbia City Council as may be amended from time to time. All fees for water service charges provided as of the Closing Date and thereafter shall be owed to and shall be the property of the City.

6. Ashley Oaks agrees to perform the following prior to the Closing Date, at its sole cost and expense:

a. install seven (7) fire hydrants and nine (9) blow-off valves on the Water System at the approximate locations depicted on Exhibit A; and,

b. provide the City with a complete and current customer list for the Water System; and,

c. physically disconnect all wells and storage tank(s) from the distribution system and remove any equipment associated with operation of the wells and storage tank(s). Deactivation of wells and equipment removal shall be accomplished to the satisfaction of the South Carolina Department of Health

and Environmental Control and the City's Director of Utilities and Engineering. The City shall in no way be responsible for deactivation of wells and storage tank(s) or removal of any equipment associated with operation of the wells and storage tank(s).

7. Ashley Oaks shall provide the City with copies of any items that Ashley Oaks may have pertaining to the Water System. These items may include, but are not limited to, record drawings, sketches, surveys, maps, plans, specifications, warranty documents, engineering reports, or other documents or materials. Furthermore, Ashley Oaks will cooperate with the City to provide such information pertaining to the Water System as the City may from time to time request. This obligation shall survive the Closing Date.

8. The City shall construct, at its sole cost and expense, a twelve (12") inch water main along Fulmer Road from the City's existing twelve (12") inch water main terminating north of Leaning Oak Court to Ashley Oaks' eight (8") inch water line terminating along Ashley Ridge Road.

9. Waiver of any breach of this Agreement shall not constitute waiver of any subsequent breach hereof. This Agreement may not be amended or modified unless such amendments or modifications are in writing and signed by the parties hereto.

10. In the event of default by any signatory hereto of the terms of this Agreement, any aggrieved signatory hereto may pursue any remedy available by law or in equity. This Agreement shall be construed in accordance with the laws of the State of South Carolina.

11. This Agreement contains the entire agreement between the parties and shall be binding upon the parties, their respective successors and assigns, as may be applicable to the particular entity.

12. This Agreement is contingent upon approval by Columbia City Council.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by duly authorized officials on the date first written above.

CITY OF COLUMBIA

Valerie R. Smith

Witness as to City

Leta [Signature]

Witness as to City

By: [Signature]

Title: City Manager

ASHLEY OAKS WATER SYSTEM, INC.
a/k/a ASHLEY OAKS WATER SYSTEMS, INC.

By: [Signature]

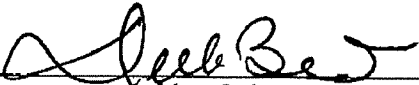

Title: President

[Signature]

Witness as to Ashley Oaks Water

[Signature]

Witness as to Ashley Oaks Water


Witness as to Ashley Oaks Development

Witness as to Ashley Oaks Development

ASHLEY OAKS DEVELOPMENT
CORPORATION, INC.

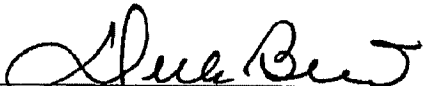
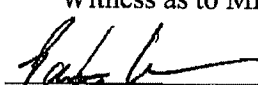
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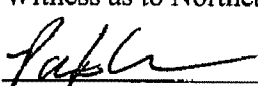
Title:

MICHAEL D. SHELLEY D/B/A ASHLEY OAKS
DEVELOPMENT CORPORATION

By:

Title:


Witness as to Michael D. Shelley

Witness as to Michael D. Shelley


Witness as to Northeast Realty and Builders

Witness as to Northeast Realty and Builders

NORTHEAST REALTY AND BUILDERS, INC.

By:

Title:

ASHLEY OAKS DEVELOPMENT, INC.**OFFICE: 786-1414 FAX 754-7700****TRANSMITTAL COVER SHEET**DATE: 4/24/07

2007-41-W

TO: Charles Jernani AT: DH&CFAX #: 896-5246

PSC

FROM: Mike Shelley, Sr.

898-4218

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 5IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL BACK
AS SOON AS POSSIBLE: 803-786-1414MESSAGE: cc: Jayla Cunningham

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